

NEIGHBORHOOD COMMERCIAL



Community Reinvestment Strategy • Cluster 1

Neighborhood Commercial

Regional Context

Since the 1950s, when Northland Center, the "nation's first regional shopping center of enclosed 'hub' design" opened in Southfield, much of Detroit's retail industry has moved out of the city¹. As of June 1996, Oakland County had 26.6 million square feet of retail space, Wayne County had 27.8 million square feet and Detroit had 3.0 million square feet². Rapid growth of commercial retail space in the counties surrounding Detroit, particularly in Oakland County is expected to continued.

Because of the limited number of retail stores in Detroit, some of which have higher prices and lower quality goods, Detroiters spend much of their disposal income outside of the City³. A study by the American City Business Journal Inc. found that Detroit captured only \$74 for every \$1,000 spent in the Detroit Metropolitan area. This compares to \$785 in San Antonio, Texas, \$645 in Indianapolis, Indiana, and \$260 in New York City⁴.

Cluster 1 Neighborhood Commercial Profile

Three of the eight largest retail shopping centers in Detroit are located in Cluster 1, including the largest, Bel Air Centre. Table 5 provides summarized information about the largest centers in the Cluster. As of December 1997 Bel Air Centre and Kmart Plaza II were fully leased; Belmont Shopping Center had two vacancies.

Table 5. Commercial Centers over 150,000 square feet

Name	Address	Size	Yr. opened/ # of stores	Major stores (sq. ft.)
Bel Air Centre	Eight Mile, east of Van Dyke	500,000	1985/28	Builders Square Farmer Jack AMC 10-Plex
Belmont Shopping Center	Eight Mile and Dequindre	169,500	1956/21	Foodland Robinson Furniture
Kmart Plaza II (Big Time Plaza)	East Outer Dr. and Sherwood	154,799	1958/5	Kmart

In addition to these larger commercial centers, Cluster 1 has several commercial corridors that run along Seven Mile, Woodward, Van Dyke, and Conant. These corridors were developed as traditional commercial areas comprised of small, stand alone stores with little or no off-street parking.

Existing Commercial Conditions

A survey of neighborhood commercial block conditions was conducted by Cluster 1 residents and Board members. The survey was designed to categorize commercial building conditions based upon exterior building frontage and the extent of abandonment and vacant parcels. Buildings along commercial areas were classified as belonging to one of four categories:

- 1. Reinforce: Stable conditions/minor repair**
- 2. Revitalize: Beginning to show signs of decline**
- 3. Revitalize: Showing more advanced signs of decline**
- 4. Restructure: Major deterioration**

As Map 17 illustrates, the Cluster's commercial corridors include many vacant parcels and abandoned structures. (Note: The conditions data shown on Map 17 include information about commercial, institutional and industrial structures.)

The survey results also show that even though there is extensive deterioration in some parts of the Cluster, a number of existing commercial areas are still quite viable. These areas include Van Dyke between Nevada and Eight Mile and the area along Seven Mile between Woodward and John R. The area along Seven Mile is unique in that it is occupied by a number of businesses owned by Chaldean-Americans and has a thriving retail trade that draws Arab-Americans from a wide area.

Recent and Proposed New Commercial Developments

No commercial development of any size has occurred in the Cluster since the completion of Bel Air Centre in the late 1980's. However, the Model T Plaza located at Woodward and Manchester in Highland Park opened in November 1997. The center, which has 115,500 square feet of retail space, includes a Farmer Jacks grocery store and six smaller retail businesses. An additional 75,000 square feet of retail space is slated to begin construction in early to mid-1998. The center serves some of the retail needs of residents living along the western edge of Cluster 1.

A new commercial development has been proposed for the southwest corner of the Gratiot/Conner intersection. The proposed development, Fountain Court Shopping Center, will have 250,000-300,000 square feet of retail space and be anchored by a national discount department store. The development is tentatively scheduled to begin construction in 1998. Map 15 indicates the location of recent and proposed commercial developments in and near Cluster 1.

Neighborhood Commercial Assets & Opportunities

Though focus groups and surveys, residents identified three assets and opportunities in the Cluster: large unmet demand for retail goods and service; sufficient resident income to support new neighborhood-based commercial development; and an abundance of commercially-zoned land available for redevelopment.

Large Unmet Demand for Retail Goods and Services

During the focus group and in surveys, Cluster 1 residents stated that they “often” purchase goods outside of Detroit, but that they would make these purchases in the City if high quality goods were available. Residents identified a wide range of retail and service needs that are not currently available in the Cluster, including sit down family restaurants, high quality grocery stores, business supply stores and copying centers.

Even in instances where goods are available in the Cluster, residents said that they typically shop outside of the area and the City because they can purchase higher quality goods at a lower cost in suburban stores. A 1995 survey by University of Michigan compared the cost of 16 items purchased at area grocery stores. Seven of these stores were located on Detroit’s Eastside and five were suburban grocery stores. The survey found that the goods cost 15% more when purchased in Detroit. In addition, a number of surveys conducted by Warren/Conner Development Coalition, a community-based organization, found the quality of goods in a number of Eastside grocery stores to be of low quality.

Residents felt that many more consumer dollars could be captured in the Cluster if higher quality, reasonably priced goods were available. In focus groups, residents expressed a strong desire to “Shop Detroit” if they had access to goods comparable to those found in suburban stores.

Sufficient Resident Income to Support New Neighborhood-based Commercial Centers

Many areas of the Cluster have strong, physically compact neighborhoods with stable, though sometimes relatively low incomes. However, even those neighborhoods with lower incomes have high housing densities with generally low rents and mortgage expenses. This leaves significantly disposable income when viewed in the aggregate. Small scale consolidated neighborhood commercial centers could draw significant consumer bases from these neighborhoods. The Cluster has about \$815 million in aggregate income much of which is spent at retail centers in the surrounding suburbs⁵.

The Cluster has a number of strong residential areas with sufficient incomes to support increased commercial development in targeted areas of the Cluster. Residents expressed interest in seeing new small-scale centers developed and some existing traditional commercial corridors revitalized, so that neighborhood-based commercial centers are located in consolidated areas throughout the Cluster.

Abundance of Commercially-zoned Land Available for Redevelopment

As Map 2 indicates most of the major roadways in the Cluster were initially developed as commercial corridors. Because much of the retail has left the area, there are many commercially-zoned sites that could be redeveloped. These traditional commercial corridors, which are typically on 100 feet deep lots, offer retailers an opportunity to redevelop sites without significant infrastructure costs. For instance, parking could be located on lots adjacent to the commercial center, instead of in front of the center as is typically seen in suburban strip mall developments. This would allow the developer to avoid the cost of relocating water mains, other existing infrastructure or homes that would have to be moved if a suburban style strip mall were developed. New developments should take place in consolidated commercial nodes, so that surplus commercial land can be redeveloped for non-commercial uses.

Commercial Development Issues

During the focus group sessions, participants identified a number of issues that need to be considered. For instance, residents expressed a strong desire to “Shop Detroit” citing a need to keep dollars in the community. Residents want to see more locally-owned retail and service stores in the Cluster that provide entrepreneurial and employment opportunities for residents.

Residents expressed an interest in having new commercial development locate in consolidated commercial nodes. By encouraging the development of commercial nodes, much of the surplus commercially-zoned land could be reused for other more appropriate uses, such as greenways and training centers.

Cluster residents are also concerned about the appearance of existing commercial buildings and the level of City services provided in these areas. Residents support the creation of commercial design standards and stricter enforcement of the City’s Building Code Ordinance.

Residents feel that the deteriorating appearance of many existing businesses, poorly maintained roadways and inadequate City services discourage new commercial from locating in the Cluster.

Through focus groups and surveys, residents indicated that there are too many of the following types of businesses located in the Cluster:

- ❖ Fast food and Coney Island restaurants
- ❖ Wig and beauty shops
- ❖ Party stores
- ❖ Liquor stores
- ❖ Bars, particularly those offering adult-oriented entertainment
- ❖ Tow/car storage yards

Many of these types of businesses, particularly the last two, were described by residents as drawing customers from other areas, sometimes from outside of the City. Focus group participants felt that the Zoning Ordinance should be reviewed and amended to ensure that locally undesirable commercial uses are not concentrated in specific parts of the City.

Summary of Neighborhood Commercial Assets, Opportunities and Issues

Assets	Opportunities and Issues
<ul style="list-style-type: none"> ❖ About \$815 million in aggregate income ❖ Large amount of vacant commercially zoned land ❖ Strong community sentiment to "Shop Detroit" 	<ul style="list-style-type: none"> ❖ Large unmet consumer demand ❖ Encourage the development of consolidated neighborhood-level commercial centers that serve the surrounding neighborhoods ❖ Consolidate new commercial development so that large areas of surplus commercially-zoned land can be redeveloped as other more appropriate uses ❖ Encourage the creation of locally-owned retail/service businesses ❖ Reduce barriers to new business start-ups ❖ Rezone many B-4 (General Business District) areas to B-2 (Local Business and Residential District) to encourage appropriate neighborhood commercial development ❖ Enforce existing commercial building codes and implement commercial design standards ❖ Improve the delivery of City services in commercial areas

- 1 Thomas, June Manning, 1997, *Redevelopment and Race*, Baltimore, MD: The Johns Hopkins University Press.
- 2 *Retail Facilities over 50,000 square feet*, SEMCOG, 1996.
- 3 *University of Michigan survey, Winter, 1995 and Warren/Conner Development Coalition surveys, 1990's.*
- 4 Pepper, Jon, May, 4, 1997, "The Road to Renaissance", Detroit Free Press, B1, B3-B5.
- 5 Based on 1990 Census household income data adjusted by the GNP index.